

CLIMATE INVESTMENT FUNDS

SCF/TFC.9/3
April 17, 2012

Meeting of the SCF Trust Fund Committee
Washington, DC
May 1, 2012

Agenda Item 4

PROGRESS REPORT ON TARGETED PROGRAMS UNDER THE SCF

Proposed Decision by SCF Trust Fund Committee

The SCF Trust Fund Committee reviewed document, SCF/TFC.9/3, *Progress Report on Targeted Programs under the SCF*, and welcomes the progress achieved in the three targeted programs: FIP, PPCR and SREP.

I. INTRODUCTION

1. This progress report provides an overall summary of the progress of the SCF programs since the last report in October 2011. During the reporting period, significant progress has been made in all SCF programs in terms of launching and/or completing the country programming process resulting in the endorsement of investment plans and preparation of projects and programs.
2. Governments and MDBs are making every effort to ensure: (a) identification and development of priority investments rooted in national development frameworks, (b) inclusion of measurement of tangible results (c) strong and inclusive participation of civil-society organizations, including indigenous peoples (where appropriate) in the development of the investment plans, project preparation and implementation, (d) linkages and compatibility with other existing or planned efforts supported by other development partners, and (e) consideration of gender in project design and implementation.
3. With the support of the Global Support Program (GSP), countries are building a community of practice under each of the programs and gaining better access to information and resources that will help build capacity to develop programs and projects and exchange emerging knowledge and good practices. For each targeted program, a meeting of pilot countries was organized, hosted by a pilot country government.
4. The FIP, PPCR and SREP Sub-Committees will each review a semi-annual operational report¹. These documents report on progress in the operations of each SCF program from October 30, 2011 to March 31, 2012, summarize the status of the pilots under each SCF program, and include information on the timely delivery of planned activities in SCF pilots.
5. The Trust Fund Committee is invited to provide its views and guidance to the Sub-Committees on the progress being made and the policies and issues being considered under each program.

II. FOREST INVESTMENT PROGRAM (FIP)

FIP Pilot Country Programming and Endorsement of Investment Plans

6. As of March 31, 2012, FIP investment plans for four pilot countries have been endorsed (Burkina Faso, Democratic Republic of Congo, Lao PDR and Mexico). Projects to be developed under these plans have been included in the FIP pipeline (FIP/SC.8/3, *FIP Semi-Annual Operational Report*).
7. Brazil has submitted its investment plan for review and endorsement by the FIP Sub-Committee at its meeting on May 4, 2012.

¹ FIP/SC.7/3, Semi-Annual Report on FIP Operations, SREP/SC.6/3, Semi-Annual Report on SREP Operations and PPCR/SC.9/3 Semi-Annual Report on PPCR Operations.

8. Ghana and Indonesia will make presentations on the current status of the development of their investment plans at the Sub-Committee meeting on May 4, 2012, and expect to seek Sub-Committee subsequent endorsement.
9. Peru is expected to submit its investment plan for review and endorsement at the FIP Sub-Committee meeting in November 2012.
10. It is expected that by the end of 2012, all FIP investment plans will have been endorsed.

Approvals

Preparation grants for developing an investment plan

11. Brazil requested a preparatory grant in the amount of US\$250,000 to finance the government's preparation of its FIP investment plan. The request was reviewed and approved by the MDB Committee.

Projects under endorsed investment plans

12. The FIP Sub-Committee approved the project, *Mexico Forests and Climate Change Project*, which was submitted by the Government of Mexico and the IBRD for review and approval of a FIP allocation of US\$ 25.66 million in FIP grant resources and US\$16.34 million in FIP concessional resources. The project is part of the Mexico Investment Plan that was endorsed by the FIP Sub-Committee on October 31, 2011. The project is expected to leverage US\$ 587 million in co-financing.

Implementation of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)

13. In October 2011, the FIP Sub-Committee approved the design of the *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)* and took note of the proposed implementation arrangements.
14. An information paper, FIP/SC.8/Inf.3, *Update on the Implementation of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities*, has been prepared to inform the FIP Sub-Committee of progress in developing project proposals required for approval of FIP funding and operationalization of the dedicated grant mechanism.

Meeting of FIP Pilot Countries

15. A meeting of representatives of the eight FIP pilot countries took place on April 2-3, 2012, in Brasilia, Brazil. The meeting was hosted by the Government of Brazil. On April 4, 2012, the Government of Brazil organized a field trip to visit the Environmental Protection Area of the streams Gama and Cabeça de Veado – IBGE Ecological Reserve and Botanical Garden of Brasília, and *SLC Pamplona*, an agricultural farm registered by the Commodity Round Table on Sustainable Soy Production.

FIP Sub-Committee Meeting – May 4, 2012

16. The FIP Sub-Committee meeting on May 4, 2012, will discuss the following substantive agenda items²:

- a) Report from the FIP Pilot Countries meeting (Brasilia, Brazil, April 2-4, 2012);
- b) Investment Plan for Brazil;
- c) Update on progress in Ghana and Indonesia; and
- d) Procedures for allocating funds under the FIP reserve

III. PILOT PROGRAM ON CLIMATE RESILIENCE (PPCR)

PPCR Pilot Country Programming and Endorsement of PPCR Investment Plans

17. During its October 2011 meeting, the Sub-Committee reviewed and endorsed the Strategic Programs for Climate Resilience (SPCR) for Bolivia and Jamaica. Together, these countries requested a total of US\$65 million in PPCR grant resources and US\$70 million in PPCR credits.

18. SPCRs for Dominica, Tonga, the regional tracks for the Caribbean and Pacific programs and Yemen have been submitted for review and endorsement by the PPCR Sub-Committee at its meeting on April 30, 2012.

19. Papua New Guinea, a country participating in the Pacific regional program, is in the process of finalizing its SPCRs for submission in June 2012.

20. Haiti is expected to submit its PPCR investment plan for review and endorsement no later than at the PPCR Sub-Committee meeting in November 2012.

21. It is expected that by the end of 2012, all PPCR investment plans will have been endorsed.

Approvals

22. During the reporting period, the PPCR Sub-Committee reviewed and approved PPCR funding for the following projects:

- a) *Cambodia - Climate Proofing of Roads in Prey Veng, Svay Rieng, Kampong Chang and Kampong Speu Provinces (ADB)*, with a PPCR allocation of US\$17 million (US\$7 million in grants and \$US 10 million in credits);

² <http://www.climateinvestmentfunds.org/cif/workingdocuments/6555>

- b) *Nepal - Mainstreaming Climate Change Risk Management in Development (ADB)*, with a PPCR grant allocation of US\$7.2 million; and
- c) *Niger - Community Action Project for Climate Resilience (CAPCR)(IBRD)* with a PPCR allocation of US\$63.6 million (US\$35.6 million in grants and \$US 28 million in credits);

23. As of March 31, 2012, PPCR funding for eight projects have been approved by the Sub-Committee totaling USD 127.5million in PPCR resources (USD77.7 million in grant resources and USD 49.2 million in credits). These resources are expected to leverage a total of USD 105.2 million in co-financing.

Meeting of PPCR Pilot Countries

24. A meeting of representatives of the PPCR pilot countries took place on March 12-13, 2012, in Livingstone, Zambia. The meeting was hosted by the Government of Zambia. On March 14, 2012, the Government of Zambia organized a field trip field visit to the communities of Kasaya/Namapande in the Kazungula District and Kasaya in the Sesheke District, two communities affected by the impacts of climate change.

PPCR Sub-Committee Meeting – April 30, 2012

25. The PPCR Sub-Committee meeting on April 30, 2011, will discuss the following substantive agenda items³:

- a) Report from the PPCR Pilot Countries meeting (Livingstone, Zambia, March 12-14, 2012)
- b) Strategic Program for Climate Resilience for Dominica;
- c) Strategic Program for Climate Resilience for the Kingdom of Tonga;
- d) Strategic Program for Climate Resilience for the Caribbean Program - Regional Track;
- e) Strategic Program for Climate Resilience for the Pacific Program - Regional Track;
- f) Strategic Program for Climate Resilience for Yemen;
- g) Allocation of PPCR resources; and
- h) PPCR Roster of Experts

³ <http://www.climateinvestmentfunds.org/cif/workingdocuments/6554>

IV. PROGRAM FOR SCALING-UP RENEWABLE ENERGY IN LOW INCOME COUNTRIES (SREP)

SREP Pilot Country Programming and Endorsement of Investment Plans

26. As of March 2012, five SREP pilot countries investment plans (Ethiopia, Honduras, Kenya, Mali, and Nepal) have endorsed.

27. The Sub-Committee will review at its meeting in May 2012 additional information provided by the Government of Ethiopia in response to questions raised by the Sub-Committee members.

28. The investment plan for Maldives was scheduled to be presented to the Sub-Committee in March 2012, but due to the political situation in the country, submission of the plan has been postponed.

29. At the Intersessional Meeting of the SREP Sub-Committee in Nairobi, Kenya, on March 8-9, 2012, the SREP Sub-Committee welcomed Tanzania as the seventh SREP pilot country.

Approvals

Preparation grants for developing investment plans

30. The SREP Sub-Committee has approved a total of US\$1.265 million in SREP funding for the preparation of investment plans for four countries (Honduras, Mali, Maldives, and Nepal).

Preparation grants for developing projects

31. The SREP Sub-Committee has approved a total of US\$7.3 million in SREP funding for the preparation of nine projects in three countries (Ethiopia, Honduras, and Mail).

Project funding

32. To date, one SREP project has been submitted to the Sub-Committee for funding approval: the Menengai Geothermal Development Project in Kenya with the African Development Bank. SREP funding of \$25 million was approved by the Sub-Committee in November 2011.

Meeting of the SREP Pilot Countries

33. An SREP Pilot Countries Meeting was held on March 5-7, 2012, in Nairobi, Kenya, together with a one-day learning event. The meeting was attended by representatives of the six pilot countries currently participating in the SREP as well as those of three additional pilot countries (Liberia, Tanzania, and Yemen), Sub-Committee members, and CSO and private

sector observers. The meeting was hosted by the Government of Kenya, which also organized a field trip to the Olkaria Geothermal Power Station on March 10 (following the intersessional meeting of the Sub-Committee on March 8-9).

SREP Sub-Committee Meeting – May 1, 2012

34. The Sub-Committee meeting on May 1, 2011, will discuss the following substantive agenda items⁴:

- a) Proposal for Revised SREP Results Framework;
- b) Semi-Annual Report on SREP Operations;
- c) Investment Plan for Ethiopia (responses to questions);
- d) Proposal for SREP Pipeline Management; and
- e) Proposal for Selecting Projects for Funding from the SREP Reserve

V. TRACKING PROJECT DELIVERY

35. In accordance with the decisions by the CTF and SCF Trust Fund Committees,⁵ the traffic light system for all three targeted programs has been established as a tool to manage the SCF pipelines and track the progress of project activities. The traffic light system tracks two key milestones of CIF projects: (a) the difference, if any, between the originally planned date of project submission to the Trust Fund Committee to the currently planned date of project submission to the Trust Fund Committee for funding approval, and (b) the time from the Trust Fund Committee approval of CIF funding to the MDB Board approval of the project.

VI. GLOBAL SUPPORT PROGRAM (GSP)

Country meetings

36. As noted above, the GSP organized three pilot country meetings. Feedback received from the pilot countries has been very positive. Respondents were particularly supportive of the opportunities for south-south cooperation and for exploring opportunities to join forces on specific action areas.

37. Detailed reports from each pilot countries meeting will be available shortly.

⁴ <http://www.climateinvestmentfunds.org/cif/workingdocuments/6556>

⁵ The SCF Trust Fund Committee has before it a paper for review and approval on pipeline management, SCF/TFC.8/ 4, Pipeline Management of the Targeted Programs under the Strategic Climate Fund.

CIFnet

38. The CIFnet web platform was developed to further enhance communication and the sharing of lessons learned among pilot countries and the wider CIF community. Since the platform was launched in 2011, the GSP has been working with pilot countries and MDBs to ensure that the dedicated spaces on CIFnet for each country are being put to good use. Nearly one hundred MDB and pilot country representatives have signed up for user accounts, and have begun to post content, including documents, videos, and news stories. For example, leading up to the pilot country meetings in Brazil, Kenya and Zambia, country representatives were asked to login to CIFnet and post summaries of their successes and challenges in developing and implementing their investment plans to date. Fourteen pilot countries posted briefs which contain interesting insights that will be further analyzed, synthesized, responded to, and disseminated. Additional improvements are underway to increase CIFnet's value to pilot countries and the broader CIF community.